

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

██████████

Petitioner.

DOCKET NO. 1-699-943-424

DECISION

██████████ (Petitioner) protested the Notice of Deficiency Determination (Notice) dated January 27, 2025. Petitioner disagreed with the Tax Discovery Bureau's (Bureau) determination of her Idaho taxable income for tax years 2017 through 2020 and 2022. Petitioner stated she is a live born woman and has reserved all her rights under Uniform Commercial Code section 1-308. The Tax Commission reviewed the matter and hereby upholds the Notice.

BACKGROUND

Petitioner lives in Idaho and did not file Idaho individual income tax returns for tax years 2017, 2018, 2019, 2020 and 2022. The Bureau sent Petitioner a letter requesting information about her filing requirement. Petitioner responded to the letter making the following statement as to why she doesn't need to file in Idaho, "I am "Exempt" I have reserved all of my rights under the Uniform Commercial Code at UCC 1-308."

Based on information obtained by the Bureau, it appeared that Petitioner had an Idaho income tax filing requirement. Information received from W-2s and 1099s shows Petitioner received income of approximately \$23,871; \$20,146; \$18,505; and \$21,637, respectively, for tax years 2017 through 2020; and \$19,153 for tax year 2022.

Based on this income information, the Bureau prepared provisional returns for Petitioner, using a filing status of single, with one personal exemption and a credit for Idaho withholding identified for tax year 2018. Once completed, the provisional returns showed a tax deficiency

existed for each of the years at issue. The Bureau then issued a Notice which included a description of the information relied upon, a copy of the provisional returns, a document showing the calculation of interest, and an explanation of Petitioner's right to request a redetermination of the deficiency.

Petitioner protested the Notice stating that UCC section 1-308 exempts her from the requirement to file an Idaho income tax return. Petitioner also stated she is a live born woman and is not under the jurisdiction of a man/woman created fiction. The Bureau acknowledged Petitioner's protest and referred the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reviewed the matter and sent Petitioner a letter that discussed the methods available for redetermining a Notice. Petitioner responded, providing additional documentation similar to that received by the Bureau. Petitioner did not request an informal hearing. Seeing that Petitioner had an opportunity to provide whatever other information or documentation she wanted the Tax Commission to consider; the Tax Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Idaho Code section 63-3030 provides the income thresholds for filing Idaho individual income tax returns. The information gathered by the Bureau clearly shows that Petitioner received income during the years in question that exceeded the threshold amount for filing Idaho income tax returns.

Petitioner stated she was exempt from the requirement to file Idaho income taxes under UCC section 1-308. Petitioner's correspondence also asserts in her Affidavit of Truth,

This affidavit-declaration of life is given to all in order to establish, signify, proclaim, and verify the status of this live woman and to eliminate/deny all

presumptions by any fiction, corporate or private, and any alleged claimed jurisdiction without standing upon the land.

To the extent that Petitioner believes the Uniform Commercial Code governs state tax agencies, she is mistaken. Idaho law and not the Uniform Commercial Code governs matters concerning Idaho's individual income tax. The United State Supreme Court has long recognized that the right to tax is a crucial attribute of state sovereignty. *M'Culloch v. Maryland*, 17 U.S. 316, 428 (1819). "The power to tax rests solely with the legislature, and is subject only to constitutional limitations." *Richey v. Indiana Dept. of State Revenue*, 634 N.E.2d 1375, 1376 (Ind. Tax Ct. 1994). The Idaho legislature authorized the Tax Commission to issue a Notice of Deficiency Determination to taxpayers who have not met their Idaho individual income tax filing and payment obligations. Idaho Code section 63-3045. The Uniform Commercial Code applies only to commercial transactions; it has no bearing on a determination of tax matters. Therefore, the Tax Commission finds the UCC argument inapplicable to the matter at hand.

Petitioner's belief that fictional (non-living) entities, such as the federal government and the state of Idaho, do not have jurisdiction over a live born person is without merit.

State and federal courts have rejected these common tax protestor themes time and time again. In *Coleman v. Commissioner of Internal Revenue*, 791 F.2d 68, Judge Easterbrook penned,

Some people believe with great fervor preposterous things that just happen to coincide with their self-interest. "Tax protesters" have convinced themselves that wages are not income, that only gold is money, that the Sixteenth Amendment is unconstitutional, and so on. These beliefs all lead--so tax protesters think--to the elimination of their obligation to pay taxes. The government may not prohibit the holding of these beliefs, but it may penalize people who act on them.

Petitioner asserts some of the same arguments discussed by Judge Easterbrook. She believes her tax obligation has somehow been eliminated even though she lives and earns a living in Idaho.

Persons required to file an Idaho individual income tax return must pay Idaho income tax on their taxable income at the rate set forth in Idaho Code section 63-3024. In the event a person fails to file a tax return, as is the case here, or fails to pay the proper amount of individual income tax, Idaho law specifically provides the Tax Commission with the authority to issue a Notice of Deficiency Determination.

63-3045. Notice of redetermination or deficiency – Interest. –
(1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer

It is well settled in Idaho that a Notice of Deficiency issued by the Tax Commission is presumed to be correct. *Albertson's Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814 (1984); *Parsons v. Idaho State Tax Com'n*, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. *Id.* Petitioner has failed to show that the provisional returns prepared by the Tax Commission are incorrect. Therefore, based on the information available, the Tax Commission finds the provisional returns to be a fair representation of Petitioner's taxable income for the taxable years in question and that the amounts shown due on the Notice are true and correct.

Conclusion

Petitioner did not file Idaho individual income tax returns for tax years 2017, 2018, 2019, 2020 and 2022. Petitioner was a resident of Idaho with income in excess of the requirement to file a return. Her arguments that federal and state tax laws do not apply to her are frivolous.

THEREFORE, the Notice of Deficiency Determination dated January 27, 2025, and directed to [REDACTED] is hereby APPROVED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$753	\$188	\$243	\$1,184
2018	287	72	80	439
2019	211	53	49	313
2020	387	97	77	561
2022	181	45	25	<u>251</u>
TOTAL DUE				<u>\$2,748</u>

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of Petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2025.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2025,
a copy of the within and foregoing DECISION was served by sending the same by United States
mail, postage prepaid, in an envelope addressed to:

Receipt No.


